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C O N F I D E N T I A L SECTION 01 OF 04 COLOMBO 002179

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STATE FOR SA/INS
PACOM FOR FPA

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TAGS: [PREL](#) [PGOV](#) [PTER](#) [CE](#)

SUBJECT: SCENESETTER FOR SECRETARY'S JANUARY 5 MEETING WITH
SRI LANKAN FOREIGN MINISTER MANGALA SAMARAWEEERA

REF: A. COLOMBO 2158

[B](#). COLOMBO 2112

[C](#). COLOMBO 2088

[D](#). COLOMBO 1994

Classified By: AMB. JEFFREY J. LUNSTEAD. REASON: 1.4 (B,D).

SUMMARY

[1](#). (C) Since the November 17 election of Mahinda Rajapaksa as President, violence has escalated rapidly, imperiling the increasingly fragile three-year-old Ceasefire Agreement between the Government of Sri Lanka (GSL) and the Liberation Tigers of Tamil Eelam (LTTE). On his first visit to Washington since his appointment as Foreign Minister in November, Mangala Samaraweera will likely seek assurances of continued U.S. support for Government of Sri Lanka (GSL) efforts to find a peaceful resolution to the conflict with Liberation Tigers of Tamil Eelam (LTTE) insurgents. He may ask that the U.S. take legal action to curb Tiger fundraising, including investigation of LTTE-affiliated charities such as the Tamil Rehabilitation Organization (TRO), and that the U.S. encourage the EU to designate the LTTE a terrorist organization. Samaraweera's January 5 meeting with the Secretary will provide an excellent opportunity to underscore our commitment to the peace process, to urge continued GSL restraint in observing the Ceasefire Agreement and to review additional ways to influence Tiger behavior. The Secretary may also wish to ask about GSL plans to complete tsunami reconstruction, including the status of assistance in LTTE-affected areas. End summary.

SEEKING HELP IN KEEPING THE PEACE

[2](#). (SBU) Mangala Samaraweera undertakes his first visit to Washington since his November 21 appointment as Foreign Minister against an increasingly bloody backdrop of almost daily violations of the three-year Ceasefire Agreement (CFA) between the Government of Sri Lanka (GSL) and Liberation Tigers of Tamil Eelam (LTTE). Since the November 17 election of President Mahinda Rajapaksa, who campaigned on a Sinhalese nationalist hard line against the peace process and foreign "pressure" to reach a settlement, the violence has escalated rapidly, with approximately 85 people killed in the seven weeks since the polls, more than half of them members of GSL security forces. The GSL has shown remarkable restraint so far in not responding to recurrent LTTE provocations, which have recently included small-scale but direct attacks on security forces in the north. In addition, the LTTE is increasingly using the civilian population in the north to stage (sometimes violent) protests and strikes against "occupying" GSL forces while simultaneously continuing to spurn a GSL offer to hold talks on strengthening the ever-more fragile CFA.

[3](#). (C) With no previous experience in dealing with the LTTE, the new government is clearly at a loss on how to respond to these blatant provocations. Rajapaksa has toned down his harsh, quasi-xenophobic campaign rhetoric since coming into office, openly seeking guidance from the international community on next steps. His campaign pledge to obtain greater Indian involvement in the peace process (as a counterweight to "undue" western influence), moreover, has thus far borne little fruit, and he has been forced to backtrack (partly because of LTTE's insistence on retaining Norway and partly because of a lack of other takers for the job) on his vow to "review" Norway's role as facilitator. Rajapaksa and Samaraweera have welcomed co-chairs' input on the peace process, including the statement issued following the December 19 meeting in Brussels and a December 24 meeting between the co-chairs (minus the US) and LTTE representatives in Kilinochchi (Ref A), but are seeking "visible action from the international community" to influence Tiger behavior. In a December 26 meeting with co-chair representatives, Samaraweera noted that a crack-down on LTTE fund-raising activities abroad and an EU designation of the LTTE as a

terrorist organization would be particularly helpful actions (Ref A).

14. (C) LTTE motives behind the recent violence--whether the Tigers intend to provoke a return to full-scale hostilities or simply to apply maximum pressure on a new and untested government--remain unclear. What we do know is that:

--the LTTE has no regard for the suffering resumed hostilities would inflict on Tamils in the north and east;

--the GSL cannot afford, either politically or financially, a return to war; and,

--financial support from the Tamil diaspora in Europe, Australia and North America helps keep the LTTE afloat.

OUR MESSAGES: PRESERVE THE CFA AT HOME;
CURB LTTE ACTIVITIES ABROAD

15. (C) The Secretary may wish to use the meeting with Foreign Minister Samaraweera to:

--Note shared commitment of both governments to counter terrorism; assure continued U.S. support;

--Commend the restraint shown by the GSL so far in response to continued LTTE aggression, including unprovoked attacks on GSL security forces and the August 12 assassination of the late Foreign Minister Lakshman Kadirgamar;

--Welcome the GSL's continued commitment to a peaceful and just resolution to the conflict;

--Note our military-to-military engagement (small FMF program, training, visits) intended to strengthen Sri Lankan military and to discourage the Tigers from returning to war;

--Emphasize the need to address legitimate Tamil grievances and ensure the equitable distribution of tsunami aid;

--Urge the GSL to curb the activities of anti-LTTE paramilitaries (widely assumed to enjoy some GSL support);

--Agree to encourage, as appropriate, other governments to consider sanctions against the LTTE;

--State that we will pursue LTTE fundraising in U.S., including investigation of possible diversion of legally raised funds (Ref B);

--Note Anti-Terrorism Assistance (ATA) conducted a needs assessment in 2005; 19 senior officials being trained in U.S. in January on Crisis Management; other training and assistance to be forthcoming.

TSUNAMI RECONSTRUCTION AND ASSISTANCE

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16. (SBU) The U.S. has signed an agreement with the GSL to provide USD 134 million in tsunami assistance. Post-tsunami reconstruction had been impeded by a GSL-imposed restriction on rebuilding within a 100-200 meter "buffer zone" of the coast, and an agreement (known as "P-TOMS") between the LTTE and the government of former President Chandrika Kumaratunga to coordinate tsunami aid in LTTE-affected areas was never implemented after its constitutionality was challenged before the Supreme Court. Over the past few months, the GSL has sent conflicting signals about whether the "buffer zone" policy has been changed. Rajapaksa's government has established a new agency to oversee tsunami reconstruction and has announced a new program ("Jaya Lanka") to replace the abortive P-TOMS, but whether either is fully operative (and whether the "buffer zone" restriction has been rescinded) remains unclear. (Note: Samaraweera hails from Matara, one of the worst-affected districts in the south.) The Secretary may wish to:

--Welcome progress made so far;

--Note U.S. assistance (including USAID programming, debt relief, U.S. military humanitarian response, Peace Corps' Crisis Corps, USTDA grants, and NOAA and USGS expertise);

--Stress importance of relaxing buffer zone restriction;

--Ask about GSL plans to ensure equitable distribution of aid in LTTE-affected areas.

PORTS, MILLENNIUM CHALLENGE ACCOUNT

AND PREFERENTIAL MARKET ACCESS

17. (SBU) Samaraweera may raise with the Secretary Sri Lanka's candidacy for the Millennium Challenge Account (MCA), a long-standing request for duty-free access for garments, and, in his capacity as Minister of Ports, the Megaports program and the Container Security Initiative (CSI). If-asked talking points and brief background on each subject follow below.

18. (SBU) Megaports/CSI: The CSI program became operational at Colombo Port in September. Megaports is expected to begin 24/7 operations by February 2006. Sri Lanka is the only port in the world with both programs operating throughout the entire port.

--We appreciate GSL support for these programs and urge your continued involvement to ensure their productivity and success.

19. (SBU) Millennium Challenge Account: Sri Lanka submitted its compact proposal to MCC in August; MCC due diligence is under way. During a meeting with President Rajapaksa in December, MCC requested a high-level counterpart to move negotiations forward. We have been told informally that the President's economic policy advisor will take that role. --Due diligence begun; hope to conclude compact negotiations in 2006;

--Need formal response to MCC request to President Rajapaksa for senior-level point of contact;

--GSL must be rated as MCA-eligible annually; GSL should monitor its MCA eligibility and assess the potential impact of its policy decisions accordingly.

110. (SBU) Preferential Market Access: In the post-Multi-Fiber Agreement environment, Sri Lanka has continued to see growth in its garment exports, but at a slower pace than before. There is strong concern in Sri Lanka about Chinese and Indian garment export growth, and both the GSL and garment sector press regularly for duty-free access to the U.S. Since 2004 the GSL has pursued a more protectionist trade agenda than previously.

--Legislation proposed by some Congressmen to grant duty-free access faces slim chances for passage;

--GSL's best opportunity for expanded markets lies in a cooperative effort to conclude the WTO Doha Round this year;

--Sri Lanka has played a constructive role in past WTO meetings, particularly in Cancun;

--Urge Sri Lanka to work closely with us under our Trade and Investment Framework Agreement to ensure successful conclusion of Doha round, as well as increased bilateral trade.

--More open/liberal trade stance will attract greater investment, trade interest.

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